GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:899
ANSWERED ON:25.02.2011
QUESTION MOBILE BANKING
Sugavanam Shri E.G.

Will the Minister of FINANCE be pleased to state:

(a) the number of villages in the country covered with mobile banking facilities in the country, State-wise;

(b) whether the Government has any plan to cover al! the villages in the country through mobile banking;

(c) if so, the details thereof; and

(d) the time by which the mobile banking facilities are targetted to be provided in all the villages?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (d): Recognising the importance of mobile phones as a medium for providing banking services, the Reserve Bank of India (RBI) issued operating guidelines to banks for mobile banking transactions on October 8, 2008, which were reviewed and further relaxed on 24 December, 2009. Mobile banking services can also be provided by Banks in rural areas. RBI has authorised 46 banks till date to offer mobile banking services to their customers and 33 banks have commenced mobile banking. RBI has further reported that the geographical coverage of bank customers is not available with them.

Further, to extend the reach of banking to the rural hinterland, Banks have been advised to provide appropriate banking facilities to habitations having a population in excess of 2000 (as per 2001 census) by March, 2012. These services will be provided using the Business Correspondent and other models, with appropriate technology back up. Accordingly, the State Level Bankers Committees (SLBCs) have drawn up plans for Financial Inclusion for each State and have identified approx. 73,000 habitations with a population of 2000 and above for providing banking services. These 73,000 habitations have been allotted to Public Sector Banks, Private Banks, Regional Rural Banks and Cooperative Banks for extending banking services in a time bound manner. The Banks have already initiated action on their Financial Inclusion Plans using Business Correspondents and appropriate technologies that include mobile telephones and other handheld devices.